

CAPITAL IMPROVEMENT PROGRAM

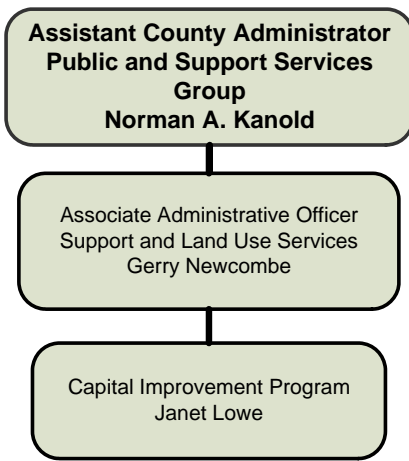
Gerry Newcombe, Associate Administrative Officer

MISSION STATEMENT

The Capital Improvement Program (CIP) receives and evaluates capital expenditure requests, recommends priorities for the acquisition or improvement of land, facilities and infrastructure, oversees and monitors major capital projects, and guides growth and change of County facilities and infrastructure by anticipating future needs.

ORGANIZATIONAL CHART

This program contains no full time employees and is managed under the auspices of the Public and Support Services Group Administration.



STRATEGIC GOALS

1. Update building condition information for all county facilities to assist with developing and implementing the CIP to rehabilitate or replace facilities to ensure a safe and healthy work environment for our workforce.

SUMMARY OF BUDGET UNITS

Funding for capital projects is included in the A&E CIP funds, and specific Airports, Regional Parks, Transportation and Solid Waste Management CIP funds.

DESCRIPTION OF MAJOR SERVICES

The CIP is an internal planning tool administered by the County Administrative Office (CAO) to provide the Board of Supervisors with information to assist in the decision-making process to allocate limited resources for capital projects. The CIP provides for the acquisition, construction, reconstruction, initial fixtures and equipment, renovation, rehabilitation or replacement of facilities with life expectancy of at least five years and capital costs in excess of \$5,000. The program:

- Receives and evaluates requests to lease or expand leased space or to vacate, occupy, alter, remodel or construct county-owned space, land, or facilities.
- Recommends priorities for capital projects based on criteria in the Capital Budget Policy for government facilities, regional parks, airports, transportation, and solid waste facilities.
- Prepares the annual CIP budget, monitors and directs implementation of approved projects through the Architecture and Engineering (A&E), Facilities Management (FM), Real Estate Services, Airports, Regional Parks and Public Works departments, and provides direct oversight for major capital projects.
- Develops and implements facility standards and maintains land and building inventories.



- Performs long-range planning to:
 - Link department capital and operational budget plans to countywide strategic plans
 - Conduct physical condition assessments through periodic surveys of facilities to identify major, large-scale projects to repair and rehabilitate county assets
 - Identify opportunities for energy efficiencies, life-cycle increases, and maintenance operating cost reductions
 - Identify future space and infrastructure needs of the county
 - Develop formal estimates of costs, seek adequate project funding, and identify opportunities for public-private partnerships for the development of county facilities.

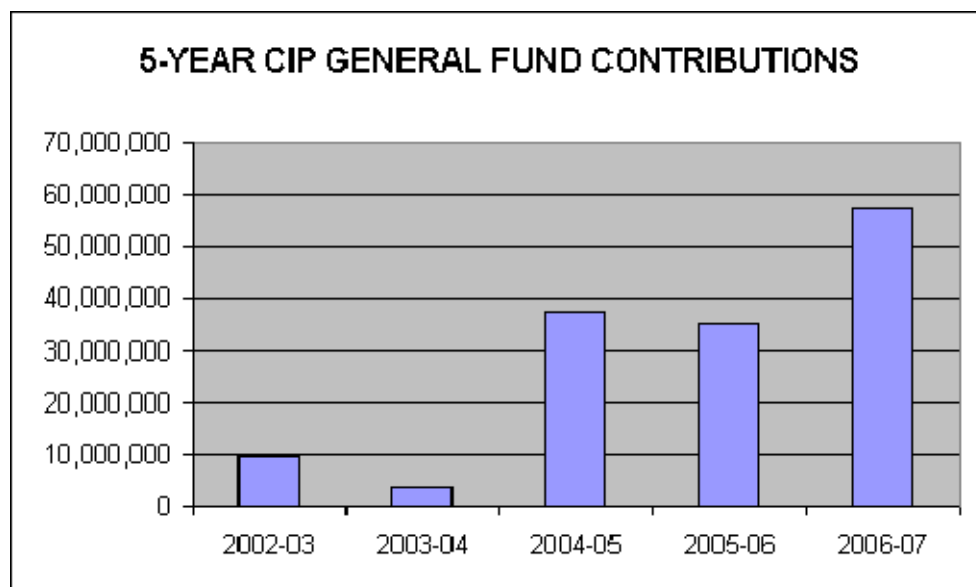
BUDGET HISTORY

The CIP is funded by a number a sources, including the county general fund and various discretionary and restricted funding sources:

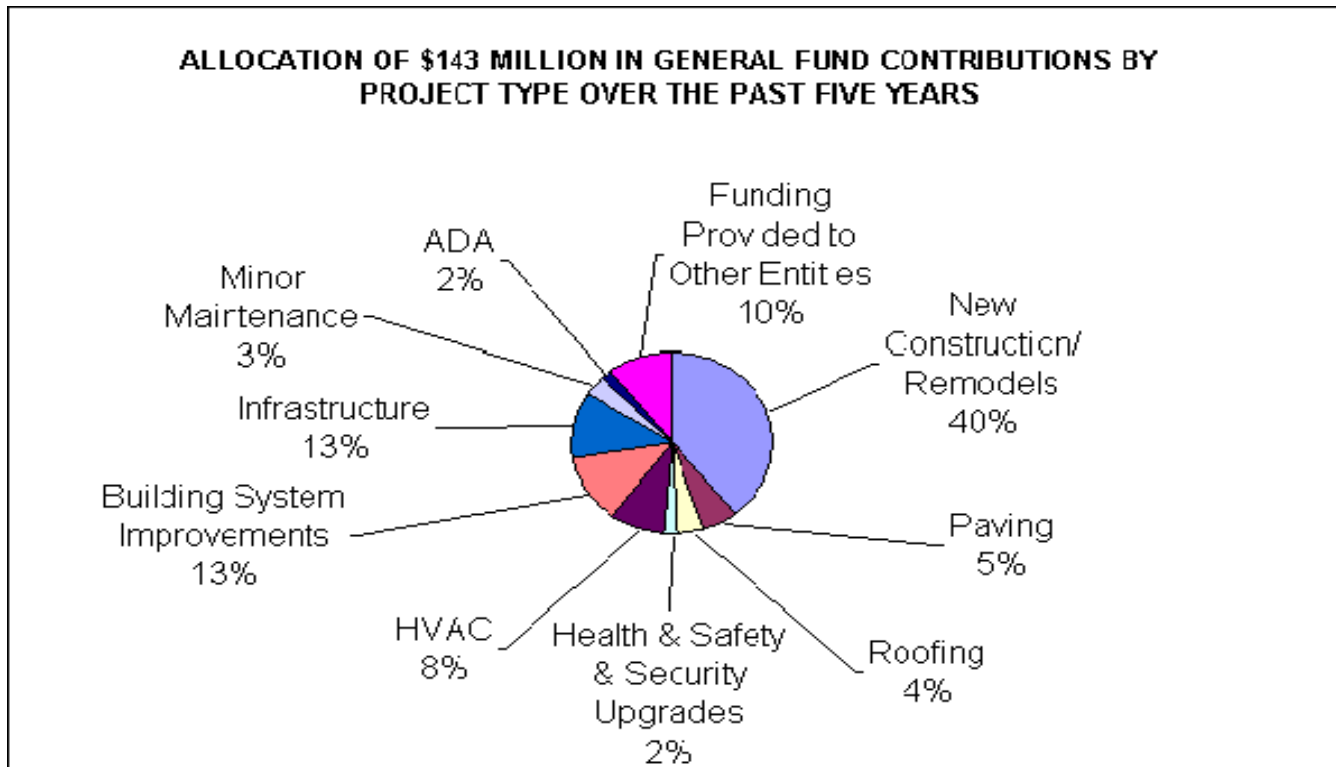
- General Fund – Local Cost: Funded from local dollars provided to CIP for general fund projects.
- Other Discretionary Funding: The underlying funding source is from a general fund department or the Board has discretion over the funding source. Costs are reimbursed to the CIP by the department. This category includes realignment, Justice Facility Reserve, Fines and Forfeitures, special revenue, or internal service funds (such as Risk Management and Fleet Management).
- Restricted Funding: Any funding source other than the general fund, special revenue, or internal service funds, and the funding is from a dedicated source for a dedicated purpose. Examples are grants, Inmate Welfare Fund, enterprise funds, Courts, Library, fees, dedicated gas and sales tax, and state and federal aid.

The county's CIP includes construction, rehabilitation, and repair projects for numerous facilities and structures. Solid Waste Management and Transportation Division (road) projects are administered by the Department of Public Works (DPW). A&E administers projects for all others, including Airports, Regional Parks, general fund departments, and Community Development and Housing (CDH).

The amount of general fund local cost funding for CIP varies annually based on available one-time funding. The following chart demonstrates the Board's commitment in recent years to address the backlog of deferred maintenance projects for county buildings and infrastructure. General fund contributions to CIP over the past five years total **\$143 million**. Contributions have averaged approximately \$28.6 million per year. In addition, in the past several years, the Board has allocated approximately \$14.4 million for various city or community sponsored deferred maintenance/infrastructure capital projects that provide benefits to County residents. These contributions are also reflected in the CIP budget.



The following chart demonstrates the allocation of expenditures over the past five years by type of project:



ANALYSIS OF 2007-08 PROPOSED BUDGET

On October 18, 2006, county departments were requested to submit CIP requests for 2007-08. The CAO received 201 requests from 26 departments with an estimated total project cost of \$552.3 million. Departments submitting more than one CIP request prioritized their requests. CIP requests were also submitted by A&E and FM for general projects.

The base budget allocation for CIP had been \$3.5 million annually until 2006-07 when the CAO recommended in its financing plan that the base budget allocation be increased to \$6.0 million annually. Ultimately, the Board approved a \$13.3 million policy item and increased the base budget allocation for CIP to \$19.3 million. In addition, the Board approved an additional \$33.3 million in general fund local cost projects for a total CIP budget of \$52.6 million for 2006-07.

For 2007-08, the CAO recommended in its financing plan that the base budget allocation continue at \$19.3 million annually including the on-going set aside of \$4 million for a new Central Juvenile Hall on the existing Gilbert Street campus site in San Bernardino. In addition, the CAO recommended an additional \$2 million be set aside from one-time county contingencies, for a total proposed CIP budget of **\$21.3 million**, to provide additional exterior improvements to modernize the 303 W. 3rd Street office building in San Bernardino (the 303 Building). Projects proposed for general fund local cost funding in the amount of \$21.3 million in 2007-08 include:

- **New Construction** – Five new construction projects are proposed: **\$7.8 million**
 - New Central Juvenile Hall – The Probation Department is proposing to construct a new Central Juvenile Detention and Assessment Center to replace existing aging facilities on the Gilbert Street site in San Bernardino. The total estimated project cost is \$63 million. Approximately \$11 million would be allocated from Juvenile Maximum Security Reserves and department salary savings. The balance of \$52 million will require twenty years of annual debt service of approximately \$4 million. The CIP proposed budget includes \$4 million for 2007-08.

- Crestline Library – Additional funding of \$1.6 million is proposed for an existing CIP project to complete the budget to construct a new library in Crestline. The total project budget is estimated at \$4.2 million and \$2.62 million is available from previously approved funds.
- Devore Animal Care/Adoption Facility – This project will provide funding in the amount of \$1.3 million for design and construction of Phase I of the estimated \$5.725 million project cost for a new animal care and adoption facility at the Devore Animal Shelter.
- Yucca Valley Animal Control Facility – This would be a joint project with the Town of Yucca Valley to construct a new \$3.5 million animal control facility. The county would set aside \$437,500 annually for four years to fund its 50% share of the costs. \$437,500 is proposed for funding in 2007-08.
- High Desert Museum and Business Resource Center - \$500,000 is initially being set aside for construction and/or lease costs for a new center to be located in the high desert. Options for sites will be considered in 2007-08, and an additional funding allocation will be required.

• **Infrastructure Projects**

\$3.4 million

- Eight infrastructure projects are proposed that improve water systems, provide emergency generators for communication sites, and improve recreation facilities including additional funding for the rehabilitation of the entrance and historically significant areas at the Chino Airport (\$.7 million is proposed to be added to the \$.8 million already set aside in the 2006-07 CIP budget for a total budget \$1.5 million).

• **Remodels/Expansions** – Four remodel/expansion projects are proposed:

\$2.9 million

- 303 Building – An additional one-time allocation of \$2 million is proposed for exterior improvements for exterior enhancements to the 70's vintage office building. Renovations of the interior of the building will be complete in June 2007. Court, District Attorney and Public Defender staff will occupy the 104,000 square foot facility.
- Barstow Sheriff's Station - \$600,000 is proposed for funding Phase I of this project to remodel and expand the Sheriff's Sub-station in Barstow. The total estimated budget is \$2.9 million.
- Office of Emergency Services (OES)/Emergency Operations Center (EOC) Expansion - \$190,000 is proposed to complete an existing OES/EOC expansion project in Rialto. The budget will increase from \$300,000 to \$490,000.
- Human Resources Restroom Remodel – Additional funding of \$80,000 is proposed to complete the renovation of four restrooms on the 1st floor of the Civic Center Building in San Bernardino.

• **Paving**

\$2.1 million

- Three parking lot expansion projects in the amount of \$1.4 million are proposed for various county office buildings and one new paving project in the amount of \$700,000 is proposed as Phase I to complete a road extension for the Cucamonga-Guasti Regional Park in Ontario.

• **Roofing**

\$1.5 million

- Four roofing repair/replacement projects are proposed for various county office buildings as part of the CIP roof management program.

• **Heating, Ventilation and Air Conditioning (HVAC)**

\$1.4 million

- Funding to complete two existing HVAC projects is proposed. Phase II in the amount of \$300,000 will replace the HVAC system on the 1st and 2nd floors of the Information Services Department building in San Bernardino and \$335,000 will increase the budget from \$2.2 million to \$2.535 million to replace the HVAC system at the General Services building in San Bernardino. \$800,000 is also proposed to begin the process to replace numerous boilers countywide to meet new South Coast Air Quality Management District requirements and to supplement geothermal water temperature serving various buildings.

• **Minor Deferred Maintenance Projects**

\$1.3 million

- Funding is proposed to address several minor deferred maintenance projects including paint and carpet replacements in county office buildings and refurbishment of elevator cabs. The Facilities Management Department will be performing building assessments to identify and prioritize projects for the coming year.

- **General Projects** **\$0.9 million**
 - The balance of projects are of varying types such as Americans with Disabilities Act (ADA) improvements and life/safety system upgrades.

In addition to the general fund local cost projects above in the amount of **\$21.3 million**, departments have identified other discretionary funding sources for a number of projects in the amount of **\$2.1 million** and restricted funding sources in the amount of **\$13.9 million** (e.g. Community Development Block Grants, federal aviation grants, etc.). Regional Parks, Transportation and Solid Waste Management have also proposed 64 new projects using **\$0.5 million** of other discretionary funding sources and **\$31.7 million** of restricted funding sources. In 2007-08, the total of new CIP projects is **\$69.5 million**.

The following chart demonstrates the proposed allocation of financing sources for all new projects in CIP for 2007-08:

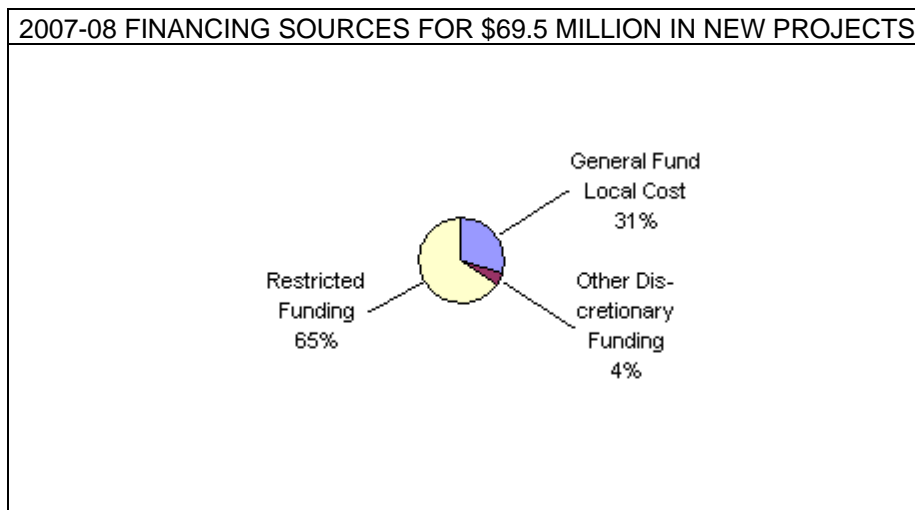


Table 1 provides a summary of all new proposed CIP projects for 2007-08.

Table 1

SUMMARY OF 2007-08 RECOMMENDED NEW CIP PROJECTS					
	# of Projects	General Fund Local Cost	Other Discretionary Funding	Restricted Funding	Total
NEW PROJECTS ADMINISTERED BY A&E:					
Total New Projects (Fund CJV)	48	21,300,000	2,152,500	9,500,800	32,953,300
Airports New Projects (Various Funds)	11	-	-	4,350,000	4,350,000
Total New Projects Administered by A&E	59	21,300,000	2,152,500	13,850,800	37,303,300
NEW PROJECTS ADMINISTERED BY OTHER DEPARTMENTS:					
Regional Parks New Projects	3	-	-	595,500	595,500
Dept. of Public Works (DPW) New Projects:					
Transportation (Various Funds)	44	-	500,000	14,676,380	15,176,380
Solid Waste Management (Various Funds)	17	-	-	16,430,000	16,430,000
Total New Projects - DPW	61	-	500,000	31,106,380	31,606,380
TOTAL RECOMMENDED NEW CIP PROJECTS	123	21,300,000	2,652,500	45,552,680	69,505,180

Details of all recommended new CIP projects are included in:

- Exhibit A – 2007-08 Recommended Capital Improvement Program New Projects Administered by Architecture and Engineering – By District by Location
- Exhibit B – 2007-08 Recommended Capital Improvement Program New Projects Administered by Architecture and Engineering – Airports
- Exhibit C – 2007-08 Recommended Capital Improvement Program New Projects Administered by Regional Parks.
- Exhibit D – 2007-08 Recommended Capital Improvement Program New Projects Administered by Department of Public Works – Transportation
- Exhibit E – 2007-08 Recommended Capital Improvement Program New Projects Administered by Department of Public Works – Solid Waste Management.

REVIEW OF CARRYOVER PROJECTS

Large capital projects often span more than one fiscal year and project balances are carried over annually until project completion.

There are currently 174 active projects in the A&E CIP budget with project budgets totaling \$256.1 million, including several large construction projects. Following is a status of the large projects:

	<u>Total Project Budget</u>	<u>Estimated Carryover Balance</u>
<ul style="list-style-type: none"> • Central Courthouse Seismic Retrofit Redesign is nearly complete for the seismic retrofit of the Central Courthouse and T-Wing. The original scope of work included some remodeling work in the T-Wing. At the request of the Judicial Council of California, Administrative Office of the Courts (AOC), the county agreed to eliminate some of the remodel work in order to contribute to the State of California the savings of approximately \$8.8 million of the project budget toward the construction of a new courthouse in San Bernardino proposed in the 2007-08 State budget. The revised scope of work will seismically retrofit the courthouse and T-Wing. Construction is expected to begin July 2007 and complete July 2009. 	\$40.8 million	\$34.9 million
<ul style="list-style-type: none"> • Arrowhead Regional Medical Center (ARMC) Med-Surg Remodel In May 2006, the Board approved the remodel of the 6th floor of the Nursing Tower at ARMC in Colton to convert the floor from administrative use to 84 new medical-surgical beds. The current total project budget includes \$26.6 million for the remodel and \$3.4 million for related relocation projects. The remodel is projected to begin January 2008 and complete January 2009. Funding is from realignment funds. 	\$30.0 million	\$25.3 million
<ul style="list-style-type: none"> • 303 Building The 303 Building located at 303 W. 3rd Street in San Bernardino is being rehabilitated for occupancy. Tenant improvements are under construction with an estimated completion date of June 2007. Upon completion, the 104,000 square foot building will be occupied by the Superior Court, District Attorney, and Public Defender's Office. An additional \$2 million of funding is proposed for the 2007-08 CIP budget for exterior enhancements to the building. 	\$23.7 million	\$0



	Total Project Budget	Estimated Carryover Balance
<ul style="list-style-type: none"> Museum Hall of Geological Wonders Construction is underway for a 12,400 square foot expansion of the County Museum located at 2024 Orange Tree Lane in Redlands. The project will include 9,000 square feet of new exhibit space to showcase the paleontology and geology of the County and region. Construction is expected to be completed June 2008. 	\$7.2 million	\$0.7 million
<ul style="list-style-type: none"> Fontana Courthouse Expansion and Remodel Project This project will add approximately 9,000 square feet to the existing courthouse building in Fontana including one new courtroom, a larger lobby and clerk's office and relocation of the jury assembly room from an adjacent county building. Design should begin May 2007. Construction will start March 2008 and complete May 2009. 	\$6.4 million	\$6.3 million
<ul style="list-style-type: none"> Adelanto Jail Expansion - Design The Board has approved \$4.6 million for design to add 896 beds to the Adelanto Jail facility in Adelanto. Design is expected to be complete February 2008 with construction completed September 2009. The total estimated budget is \$111 million. A \$7 million set aside has been included in the budget financing plan for debt service. 	\$4.6 million	\$0.1 million

The A&E CIP carryover project list also includes 15 projects in which the Board has made contributions to other agencies for deferred maintenance/infrastructure capital projects that benefit county residents. While most of the agreements for these contributions have been completed, the actual payments are generally tied to some event, such as the award of a construction contract, and payments may occur over time. These projects with total budgets of \$3.5 million will continue to be carried over in CIP until the required milestone has been achieved and the funds paid.

The A&E CIP carryover budget also includes Fund CJS which was created for the construction of the High Desert Juvenile Detention and Assessment Center (HDJDAC) in Apple Valley. Construction was complete in 2004, however, the fund has remained active to account for reimbursements in the approximate amount of \$14,000 per year that will be received from Apple Valley Rancho Water Company for installation by the county of the water and sewer lines to the project. These funds have been reallocated to various minor CIP projects at HDJDAC as the need arises. The current carryover balance is \$172,075. The CAO proposes to combine this fund with Fund CJV in the final budget in order to reduce the total number for funds for A&E CIP.

A summary of the status of previously approved CIP projects still in progress are included in:

- Exhibit F – 2007-08 Carryover Projects Administered by Architecture and Engineering (Funds CJV and CJS)
- Exhibit G – 2007-08 Airports Carryover Projects (Various Funds)
- Exhibit H – 2007-08 Regional Parks Carryover Projects (Various Funds)
- Exhibit I – 2007-08 Transportation Carryover Projects (Various Funds)
- Exhibit J – 2007-08 Solid Waste Management Carryover Projects (Various Funds)



Table 2 below provides a summary of all Carryover Projects.

Table 2

SUMMARY OF 2007-08 CARRYOVER BALANCES					
	# of Projects	General Fund Local Cost	Other Discretionary Funding	Restricted Funding	Total
CARRYOVER PROJECTS ADMINISTERED BY A&E:					
Structures & Improvements to Structures (Fund CJV)	174	55,834,347	17,760,980	66,971,979	140,567,306
Contributions to Other Agencies (Fund CJV)	15	3,504,884	-	-	3,504,884
High Desert Juvenile Detention Center (Fund CJS)	1	172,075	-	-	172,075
Airports Carryover Projects (Various Funds)	40	-	-	40,952,806	40,952,806
Total A&E Carryover Projects	230	59,511,306	17,760,980	107,924,785	185,197,071
CARRYOVER PROJECTS ADMINISTERED BY OTHER DEPARTMENTS:					
Regional Parks Carryover Projects	10	-	-	7,525,825	7,525,825
Dept. of Public Works (DPW) Carryover Projects:					
Transportation Carryover Projects (Various Funds)	43	-	6,450,000	19,704,567	26,154,567
Solid Waste Mgmt Carryover Projects (Various Funds)	14	-	-	18,222,281	18,222,281
Total Carryover Projects - DPW	57	-	6,450,000	37,926,848	44,376,848
TOTAL CARRYOVER PROJECTS	297	59,511,306	24,210,980	153,377,458	237,099,744

A&E also anticipates the completion of 86 projects in 2006-07 with a total project budget of \$49.4 million and actual expenditures of \$23.9 million. Savings from the completion of general fund projects is estimated to be \$1.4 million. This balance will remain in the CIP carryover budget and be available to address cost overruns in other projects, should any occur. Details are provided in Exhibit K – 2006-07 Completed Projects Administered by Architecture and Engineering (Fund CJV).

FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM

For the 2006-07 annual CIP process, departments were requested to update their Five-Year Capital Improvement Program plan. Departments were requested to review those requests when submitting CIP projects for 2007-08.

While the Board of Supervisors has approved additional one-time funding over the past several years to address deferred maintenance in county facilities, the number of projects submitted and the total dollar volume continues to be reflective of years of limited funding for capital improvements. In addition, the submittals reflected a growing need for space countywide. Jail overcrowding, hospital expansion requirements, and office space needs were clearly the theme of many department submittals. In response, during 2006-07, the Board approved several projects to address those needs. The expansion of the Adelanto Jails is expected to add 896 beds. The conversion of administrative space to medical-surgical beds will add 84 beds to the ARMC facility. Specific sites have been under consideration to construct new offices in the high desert and San Bernardino. Decisions and approval to go forward with acquisition and design for new facilities is expected in 2007-08. In addition, the strategic goal for CIP is to update building condition information for all county facilities and to finalize a plan to address deferred maintenance and infrastructure projects for county facilities. The Facilities Management Department managed a contract with an outside consultant to complete building condition assessments. 1.9 million square feet was evaluated in 2006-07. The CAO plans to bring to the Board for consideration in the coming months specific long-range plans to address these needs as requirements and alternatives are fully identified.

PERFORMANCE MEASURE			
Description of Performance Measure	2006-07 Projected	2006-07 Estimated	2007-08 Projected
Percent of buildings, and/or building groups, with plumbing condition data compiled and prioritized.	20%	20%	40%

